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Agenda item 131

Review of the efficiency of the administrative and financial functioning of the United Nations

Report of the Fifth Committee

Rapporteur: Mr. Matthias **Dettling** (Switzerland)

I. Introduction

1. The previous recommendation made by the Fifth Committee to the General Assembly under agenda item 131 is set out in the report of the Committee contained in document A/69/702.

2. The Fifth Committee resumed its consideration of the item at its 30th, 31st and 34th meetings, on 6, 9 and 27 March 2015. Statements and observations made in the course of the Committee's consideration of the item are reflected in the relevant summary records (A/C.5/69/SR.30, 31 and 34).

3. For its further consideration of the item, the Committee had before it the following documents:

(a) Fourth progress report of the Secretary-General on the accountability system in the United Nations Secretariat (A/69/676);

(b) Related report of the Advisory Committee on Administrative and Budgetary Questions (A/69/802);

(c) Report of the Secretary-General on United Nations procurement activities (A/69/710);

(d) Related report of the Advisory Committee on Administrative and Budgetary Questions (A/69/809);

(e) Note by the Secretary-General transmitting the report of the Joint Inspection Unit entitled "Review of long-term agreements in procurement in the United Nations system" and his comments and those of the United Nations System Chief Executives Board for Coordination thereon (A/69/73 and Add.1).

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II. Consideration of proposals

A. Draft resolution A/C.5/69/L.34

4. At its 34th meeting, on 27 March, the Committee had before it a draft resolution entitled "Progress towards an accountability system in the United Nations Secretariat" (A/C.5/69/L.34), submitted by the Chair of the Committee on the basis of informal consultations coordinated by the representative of Guatemala.

5. At the same meeting, the Committee adopted draft resolution A/C.5/69/L.34 without a vote (see para. 10, draft resolution I).

B. Draft resolution A/C.5/69/L.35

6. At its 34th meeting, on 27 March, the Committee had before it a draft resolution entitled "Procurement" (A/C.5/69/L.35), submitted by the Chair of the Committee on the basis of informal consultations coordinated by the representative of Austria.

7. At the same meeting, the Committee adopted draft resolution A/C.5/69/L.35 without a vote (see para. 10, draft resolution II).

C. Draft decision A/C.5/69/L.37

8. At its 34th meeting, on 27 March, the Committee had before it a draft decision entitled "Questions deferred for future consideration" (A/C.5/69/L.37), submitted by the Chair of the Committee.

9. At the same meeting, the Committee adopted draft decision A/C.5/69/L.37 without a vote (see para. 11).

III. Recommendation of the Fifth Committee

10. The Fifth Committee recommends to the General Assembly the adoption of the following draft resolutions:

Draft resolution I
Progress towards an accountability system in the United Nations Secretariat

The General Assembly,

Recalling its resolutions 59/272 of 23 December 2004, 60/254 of 8 May 2006, section I of its resolution 60/260 of 8 May 2006, its resolutions 60/283 of 7 July 2006, 61/245 of 22 December 2006, 63/276 of 7 April 2009, 64/259 of 29 March 2010, 66/257 of 9 April 2012, 67/253 of 12 April 2013 and 68/264 of 9 April 2014,

Reaffirming its commitment to strengthening accountability in the United Nations Secretariat and the accountability of the Secretary-General to all Member States for the performance of the Secretariat,

Emphasizing that accountability is a central pillar of effective and efficient management that requires attention and strong commitment at all levels of the Secretariat, especially at the highest level,

Recognizing and reaffirming the important role of the oversight bodies in the development of an accountability system that is relevant to the United Nations,

Having considered the fourth progress report of the Secretary-General on the accountability system in the United Nations Secretariat[1] and the related report of the Advisory Committee on Administrative and Budgetary Questions,[2]

1. *Takes note* of the fourth progress report of the Secretary-General on the accountability system in the United Nations Secretariat;[1]

2. *Endorses* the conclusions and recommendations contained in the report of the Advisory Committee on Administrative and Budgetary Questions,[2] subject to the provisions of the present resolution;

3. *Emphasizes* the importance of promoting a culture of accountability, results-based management, enterprise risk management and internal control at all levels in the Secretariat through the continued leadership and commitment of senior managers, and reiterates its request that the Secretary-General take appropriate measures to that end, including the training of relevant staff;

4. *Reiterates* the provisions of paragraphs 4, 5, 9, 10, 13, 14, 15, 17 and 19 of section I of its resolution 66/257;

5. *Also reiterates* the provisions of paragraphs 8, 26 and 28 of its resolution 68/264;

6. *Stresses* the role and responsibility of the Management Committee in promoting and advancing the accountability system as a whole;

[1] A/69/676.
[2] A/69/802.

Enterprise risk management system and internal control framework

7. *Notes with appreciation* the progress made towards strengthening the enterprise risk management system, including the development of a risk register, the establishment of a governance structure for enterprise risk management and the designation of a corporate risk owner for each of the six critical risks identified, and in this regard requests the Secretary-General to continue his efforts to implement and embed enterprise risk management throughout the United Nations by managing and mitigating the identified risks, in particular the six most critical ones, and developing concrete risk treatment action plans, and to report thereon in the context of the next progress report on accountability;

8. *Welcomes* the efforts made by the Secretary-General to implement a coherent and integrated enterprise risk management system that will contribute to embedding or fostering a culture of risk management in the working habits of staff members of the Secretariat, and requests him to ensure the continued commitment at all levels of the governance structure in order to achieve that goal and to report on concrete actions taken in this regard in the context of the next progress report on accountability;

9. *Looks forward* to the results of the pilot implementation of the enterprise risk management system at the United Nations Organization Stabilization Mission in the Democratic Republic of the Congo, and emphasizes the importance of identifying and sharing lessons learned and best practices with regard to its implementation with other field missions during the phased implementation at those missions;

Results-based management

10. *Reaffirms* that results-based management and performance reporting are essential pillars of a comprehensive accountability framework;

11. *Recalls* paragraph 12 of its resolution 68/264, and reiterates its request that the Secretary-General identify appropriate methods and tools to portray the efficiency with which the Secretariat undertakes its work;

12. *Notes* the progress made on the implementation of the recommendations of the results-based management working group, and in this regard requests the Secretary-General to continue his efforts to accelerate the implementation of the results-based management framework throughout the Secretariat in a phased manner, taking into account the provisions of paragraph 6 of its resolution 67/253;

13. *Commends* the Secretary-General for the steps taken to promote a culture of self-evaluation throughout the Organization and to mainstream the use of relevant monitoring and evaluation tools in programme planning and implementation, requests him to continue to provide staff with adequate training, and looks forward to receiving updated information on the results of the pilot for strengthening the self-evaluation capacity in the Department of Management;

14. *Requests* the Secretary-General to include in the next progress report on accountability a detailed plan, with a fixed time frame and clear milestones, for the implementation of results-based management as part of the regular functioning of the Organization;

15. *Reaffirms* the recommendations contained in paragraph 16 of the report of the Advisory Committee,[3] as approved by the General Assembly in its resolution 64/259, and requests the Secretary-General to include a status update in the context of the next progress report on accountability;

Personal accountability

16. *Emphasizes* the importance of establishing and fully implementing real, effective and efficient mechanisms that foster institutional and personal accountability at all levels;

17. *Reiterates* that compacts and end-of-year assessments are unique accountability tools for senior managers and contribute to transparency in the Organization;

18. *Reiterates its requests* to the Secretary-General to take further concrete measures to ensure that the compact system becomes a meaningful and powerful instrument of accountability, to take action to address systemic issues that prevent managers from meeting their targets, in particular those related to compliance with the recruitment timeline, and to report to the General Assembly on the progress achieved in this regard in the context of the next progress report on accountability;

19. *Recalls* paragraph 14 of the report of the Advisory Committee,[2] and requests the Secretary-General to include additional objectives and indicators in the senior managers' compacts in order to assess the performance of senior managers with respect to the effective and efficient management of resources and to provide an update in this regard in the next progress report on accountability;

20. *Notes with appreciation* the inclusion in the senior managers' compacts for 2015 of a new standard managerial indicator related to the timely issuance of documentation to intergovernmental bodies and General Assembly committees, as requested by the Assembly in its resolution 69/250 of 29 December 2014, and requests the Secretary-General to ensure that it continues to be included in future compacts;

Strengthening accountability in field missions

21. *Encourages* the Secretary-General to continue efforts to strengthen accountability in all sectors of field missions and to ensure the full implementation of the zero-tolerance policy of the Organization regarding any kind of sexual exploitation and abuse, and looks forward to its consideration of the matter in the context of the next report on cross-cutting issues related to peacekeeping operations;

International Public Sector Accounting Standards and the Umoja enterprise resource planning system

22. *Encourages* the Secretary-General to continue to strengthen and improve the accountability framework by taking advantage of the benefits related to the deployment of the International Public Sector Accounting Standards and the Umoja enterprise resource planning system, and requests him to report thereon in the context of the next progress report on accountability;

[3] A/64/683 and Corr.1.

23. *Recalls* paragraph 16 of the report of the Advisory Committee,[2] emphasizes that a lack of adequate information for decision-making processes continues to hamper the Organization's ability to achieve the goals set out in the enhanced accountability framework and to establish an appropriate performance measurement and reporting system, and in this regard requests the Secretary-General to present his detailed plan to deal with the current weaknesses related to the Organization's data and information needs in the areas of programme planning, monitoring and reporting;

Ethics and accountability

24. *Notes* the continuing efforts and recent initiatives undertaken by the Secretariat to strengthen ethics in the Organization, including the ethics and reputational risk assessment referred to in paragraph 86 of the report of the Secretary-General, and emphasizes the importance of enhancing the processes and responses of the Organization to ensure that it encourages the reporting of serious misconduct, protects whistle-blowers from retaliation and intervenes to prevent retaliation;

Strengthening accountability in procurement

25. *Recalls* paragraph 33 of the report of the Advisory Committee,[2] and requests the Secretary-General to ensure that the procurement training programme fully addresses the provisions of the United Nations Procurement Manual regarding the respective roles of the Headquarters Committee on Contracts and the local committees on contracts in the procurement process and that the general principles of United Nations procurement are taken into account in developing an accountability system;

Other matters

26. *Recalls* paragraph 35 of the report of the Advisory Committee,[2] notes the comments of the Advisory Committee with regard to the chain of decision-making and the effectiveness of internal controls, requests the Secretary-General to hold staff members, in particular senior managers, accountable for misconduct, and stresses the need to address mismanagement and poor decision-making in an effective manner, in particular to reduce such instances by sharing best practices and lessons learned;

27. *Requests* the Secretary-General to continue to submit for its consideration an annual report on progress made towards the implementation of the accountability framework, and encourages him to consider including information on accountability with respect to the issues contained in sections III to VIII of his report in the reports on related substantive agenda items;

28. *Also requests* the Secretary-General to report to the General Assembly at the first part of its resumed seventieth session on the implementation of the accountability framework, and decides to revert to the question of the frequency of future progress reports on accountability in the context of the next report.

Draft resolution II
Procurement

The General Assembly,

Recalling its resolutions 54/14 of 29 October 1999, 55/247 of 12 April 2001, 57/279 of 20 December 2002, 58/276 and 58/277 of 23 December 2003, 59/288 of 13 April 2005, 60/1 of 16 September 2005 and 60/260 of 8 May 2006, section VII of its resolution 60/266 of 30 June 2006, its resolution 61/246 of 22 December 2006, section XIX of its resolution 61/276 of 29 June 2007, its resolution 62/269 of 20 June 2008, section IV of its resolution 65/289 of 30 June 2011 and its resolution 68/263 of 9 April 2014,

Having considered the report of the Secretary-General on United Nations procurement activities[1] and the related report of the Advisory Committee on Administrative and Budgetary Questions,[2]

Having also considered the note by the Secretary-General transmitting the report of the Joint Inspection Unit on the review of long-term agreements in procurement in the United Nations system[3] and the related note by the Secretary-General transmitting his comments and those of the United Nations System Chief Executives Board for Coordination thereon,[4]

1. *Takes note* of the report of the Secretary-General;[1]

2. *Endorses* the conclusions and recommendations contained in the report of the Advisory Committee on Administrative and Budgetary Questions,[2] subject to the provisions of the present resolution;

3. *Reaffirms* the need for the United Nations procurement system to be transparent, open, impartial and cost-effective, based on a competitive procedure and fully reflecting the international character of the United Nations;

4. *Stresses* that best value for money; fairness, integrity and transparency; effective international competition; and the interest of the United Nations remain the four general principles for United Nations procurement, and requests the Secretary-General to ensure that those principles are adhered to in all United Nations procurement activities;

5. *Recognizes* the progress made and the key initiatives undertaken by the Secretary-General to advance a strategic approach to procurement and enhance the acquisition process for critical requirements, and requests the Secretary-General to continue such initiatives;

6. *Recalls* paragraph 8 of the report of the Advisory Committee, and requests the Secretary-General to provide information, in his future reports on the subject, on the impact of Umoja on the procurement process, including the elimination of duplicate procurement processes;

7. *Notes* the efforts made by the Secretary-General to establish the supply chain module in Umoja, also notes the improved governance of procurement

[1] A/69/710.
[2] A/69/809.
[3] A/69/73.
[4] A/69/73/Add.1.

functions to include procurement operations in peacekeeping missions, special political missions, offices away from Headquarters and tribunals while establishing a clear responsibility and accountability framework, and requests the Secretary-General to provide enhanced visibility of information on vendors that are awarded contracts and purchase orders;

8. *Recalls* paragraphs 11 and 12 of the report of the Advisory Committee, and requests the Secretary-General to address the challenges identified therein with regard to information and communications technology procurement;

9. *Welcomes* the conclusion of the pilot project on the request for proposal exercise, and looks forward to information on the advantages and disadvantages of the practice of using both invitation to bid and request for proposal methodologies in the procurement of aviation services in the next report of the Secretary-General;

10. *Recalls* paragraph 51 of its resolution 65/289, in which it requested that the Secretary-General ensure full transparency in developing the request for proposal methodology for the acquisition of aviation services, and requests the Secretary-General to ensure that the implementation of this methodology is fair and transparent, as appropriate;

11. *Also recalls* paragraph 18 of the report of the Advisory Committee, and stresses the importance of developing a transparent system in the implementation of the electronic tendering pilot project that gives equal opportunity to all potential vendors, bearing in mind technology challenges in developing countries and countries with economies in transition, and requests the Secretary-General to submit an assessment of the pilot project in his next report on procurement;

12. *Welcomes* the continuation of the independent procurement challenge system, the Award Review Board, and its phased expansion to also cover offices away from Headquarters, regional commissions and tribunals, and peacekeeping and special political missions, and requests the Secretary-General to provide an update in his next report on the development of the Award Review Board, including on the feasibility of lowering the financial threshold for vendors to submit a procurement challenge;

13. *Notes with appreciation* the efforts of the Secretary-General and the overall progress made in strengthening internal controls in procurement, including improved vendor management, with an emphasis on fostering a culture of ethics and integrity among staff members and vendors;

14. *Recalls* paragraph 28 of the report of the Advisory Committee, requests the Secretary-General to ensure transparency in conducting the activities of the Vendor Review Committee, and looks forward to continued reporting on the activities of that Committee in his future reports;

15. *Also recalls* paragraph 25 of the report of the Advisory Committee, and requests the Secretary-General to intensify his efforts to promote procurement from developing countries and countries with economies in transition, so as to develop a vendor roster that is more representative of the membership of the Organization, and to report thereon in his next progress report on United Nations procurement activities;

16. *Requests* the Secretary-General to continue to explore additional innovative ways to promote procurement from developing countries and countries

with economies in transition at Headquarters and field offices, and to report on concrete measures taken in this regard;

17. *Recognizes* the efforts by the Secretariat to increase the number of business seminars in developing countries, and requests the Secretary-General, in his capacity as Chair of the United Nations System Chief Executives Board for Coordination, to encourage the entities of the United Nations system to participate in the business seminars in developing countries and countries with economies in transition;

18. *Requests* the Secretary-General to encourage interested local vendors to apply for registration on the United Nations Secretariat vendor roster, with a view to broadening its geographical base;

19. *Recalls* paragraph 34 of the report of the Advisory Committee, decides to establish the Regional Procurement Office in Entebbe, Uganda, as a regular office within the Procurement Division of the Secretariat, and looks forward to receiving updates on the functions of the Office in the context of the global service delivery model;

20. *Requests* the Secretary-General not to proceed with a pilot project on sustainable procurement at this time;

21. *Notes with satisfaction* the efforts made by the Secretariat to implement joint procurement with United Nations system organizations, and emphasizes that, when it does so, the four general principles of financial regulation 5.12 shall apply;

22. *Acknowledges* recommendation 5 of the report of the Joint Inspection Unit.[3]

11. The Fifth Committee also recommends to the General Assembly the adoption of the following draft decision:

Questions deferred for future consideration

The General Assembly decides to defer until the first part of its resumed seventieth session consideration of the following documents:

Report of the Secretary-General on the overview of human resources management reform: towards a global, dynamic and adaptable workforce for the United Nations[1]

Report of the Secretary-General on the overview of human resources management reform: mobility[2]

Report of the Secretary-General on the overview of human resources management reform: performance management[3]

Report of the Secretary-General on the overview of human resources management reform: the young professionals programme[4]

Report of the Secretary-General on the overview of human resources management reform: assessment of the system of desirable ranges[5]

Report of the Secretary-General on the composition of the Secretariat: staff demographics[6]

Report of the Secretary-General on the composition of the Secretariat: gratis personnel, retired staff and consultants and individual contractors[7]

Report of the Secretary-General on the practice of the Secretary-General in disciplinary matters and cases of possible criminal behaviour, 1 July 2013 to 30 June 2014[8]

Report of the Secretary-General on amendments to the Staff Rules[9]

Report of the Secretary-General on the activities of the Ethics Office[10]

Report of the Advisory Committee on Administrative and Budgetary Questions on human resources management.[11]

[1] A/69/190.
[2] A/69/190/Add.1.
[3] A/69/190/Add.2 and Corr.1.
[4] A/69/190/Add.3.
[5] A/69/190/Add.4.
[6] A/69/292.
[7] A/69/292/Add.1.
[8] A/69/283.
[9] A/69/117.
[10] A/69/332.
[11] A/69/572.